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BEFORE THE
U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

DEPT. OF TRANSPORTATION
RECEIVED

SEP 23 2002 PM 4:35

Notice of

SUNRISE AIRLINES, INC.,
d/b/a FLAIR AIRLINES

of intent to resume operations
under 14 CFR 204.7

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DOCKET NO. OST-2001-8695

**FIFTEENTH SUPPLEMENT TO
APPLICATION OF SUNRISE AIRLINES, INC.**

Communications with respect to
this document should be sent to:

Scott L. Williams
President and General Manager
Sunrise Airlines, Inc.
5858 S. Semoran Blvd.
Building C
Orlando, Florida 32822
Tel.: (407) 381-9877
Facsimile: (407) 381-9896

John E. Gillick, Esq.
PILLSBURY WINTHROP LLP
1133 Connecticut Avenue, N.W.
Suite 1200
Washington, D.C. 20036
Tel.: (202) 775-9800
Facsimile: (202) 833-8491

DATED: September 23, 2002

**BEFORE THE
U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Notice of

SUNRISE AIRLINES, INC.,
d/b/a FLAIR AIRLINES

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**FIFTEENTH SUPPLEMENT TO
APPLICATION OF SUNRISE AIRLINES, INC.**

By letter dated August 30, 2002, the Department has requested additional and/or clarifying information with respect to the materials provided by Sunrise Airlines, Inc. d/b/a FLAIR ("Sunrise") in its Fourteenth Supplement on August 9, 2002. Sunrise hereby responds to that request, and urges that the Department determine that Sunrise is fit, willing and able to resume operations as a commuter air carrier.

Responses to Request for Additional Information
in Part A of the Department's August 9, 2002 letter

1. As of September 16, 2002, 34.9 percent of the stock in Florida Air Holdings, Inc. ("FAH") is held by fifty-three shareholders, other than Mr. Hilliard (or affiliated entity) and Mr. and Mrs. Williams. All of these shareholders are U.S. citizens.
2. Mr. James Williams is currently serving as Chairman and CEO of FAH, Sunrise, Discover Air, Inc. ("Discover Air") and the Airline Training Academy. He has held those positions with Airline Training Academy and Discover Air since 1997. He has held the

position of CEO of FAH since June 2002 and was made Chairman of FAH in August 2002. He has been and is expected to continue to spend approximately 25% of his time on Airline Training Academy and 75% on the other three companies.

Mr. Scott Williams is currently serving as President of FAH, Sunrise and Discover Air. He has held that position with Discover Air since 1997 and FAH since May 2002. He has held that position with Sunrise since August. He has been Vice President-Operations/General Manager of Airline Training Academy since 1996. He has been and is expected to continue to spend 25% of his time on Airline Training Academy and 75% on the other three companies.

3. With respect to Mr. Holtzapple:

- a. Mr. Holtzapple is serving and will continue to serve as Chief Financial Officer for FAH, Sunrise and Discover Air.
- b. The outstanding tax lien for \$12,500 was improperly assessed against Mr. Holtzapple and is being expunged. See Exhibit A (Letter from the State of New Jersey dated August 29, 2002). The other two liens, which have been satisfied, are a result of Mr. Holtzapple signing payroll tax returns and the funds to pay the taxes being diverted from the company by the president of the company.

To prevent an occurrence of federal and state tax liens, Sunrise and Discover Air use a payroll processing company that drafts Sunrise and Discover Air bank accounts for the payroll taxes at the same time the pay to the employees is drafted. The companies never have an unfunded tax liability. Additionally, the individual that diverted the funds resulting in the tax liens is not associated with FAH, Sunrise or Discover Air.

4. With respect to Mr. Coudray:
 - a. Mr. Coudray became Chief Pilot of Discover Air in January 2002 and resigned that position in August 2002. Mr. Tommy Barraza became Chief Pilot for Discover Air in August 2002. Mr. Barraza's resume and completed DOT questionnaire are attached as Exhibit B.
 - b. Mr. Coudray has not been a Simulator Instructor for the Airline Training Academy since 1998. The only position he holds today is that of Chief Pilot for Sunrise.
5. Messrs. Coudray and Helterbran meet the requirements of Parts 119 and 121 of the Federal Aviation Regulations for their respective positions with Sunrise. As noted above, Mr. Coudray is no longer affiliated with Discover Air or the Airline Training Academy. The FAA has approved Mr. Coudray to serve as Chief Pilot for Sunrise.
6. Craig Sanderson, Director of Operations, Larry Martin, Director of Maintenance, and Bret Richards, Chief Inspector, have relocated to the Orlando, Florida office effective September 3, 2002. See the attached letters from those individuals (Exhibit C).
7. Sunrise began providing sub-service for Discover Air in August 2002. It operates approximately four flights per week.
8. An accounting of expenses for Sunrise from November 1, 2001 to July 31, 2002 is attached as Exhibit D.
9. A balance sheet for Sunrise as of July 31, 2002 is attached as Exhibit E.
10. Mr. Holtzapple prepared the financial statements included in Exhibit C of the Fourteenth Supplement. He is the Chief Financial Officer for FAH, Sunrise and Discover Air. He has a BS degree in accounting and an MBA degree in finance. He worked eight years as

a CPA for a large national public accounting firm and has held CFO positions for numerous years. The Department was previously provided with a copy of his resume (Thirteenth Supplement). The statements were prepared in accordance with Generally Accepted Accounting Principles.

11. The \$1.0 million was provided by Mr. Hilliard through an entity affiliated with him. The bank statement for the period ended July 31, 2002 is attached.
12. FAH fundraising activities are ongoing. As set forth in Exhibit D to the Fourteenth Supplement, a total of 22,853 shares of stock had been issued as of May 8, 2002, an additional 2,022 shares had been sold from May 9 to July 15, 2002, and 8,125 remain for sale in the private placement. In addition and as noted above, an additional \$1.0 million has been provided by Mr. Hilliard through an entity affiliated with him.
13. The personal financial statement and related affidavit of Mr. Hilliard as of August 31, 2002 is attached as Exhibit F.
14. Responses to the request for additional information on exhibits for which confidential treatment has been granted are set forth in Exhibit G.

WHEREFORE, for the foregoing reasons, Sunrise Airlines, Inc. respectfully requests that the Department find that Sunrise is fit, willing and able to resume scheduled passenger air transportation operations as a commuter air carrier.



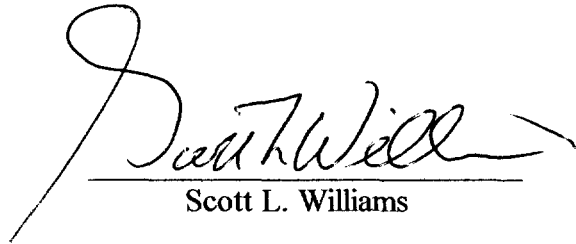
Scott L. Williams

President and General Manager
Sunrise Airlines, Inc.

September 20, 2002

CERTIFICATION

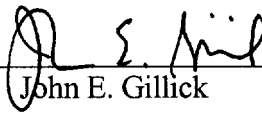
Pursuant to Title 18 United States Code Section 1001, I, Scott L. Williams, President of Sunrise Airlines, Inc., in my individual capacity and as the authorized representative of the applicant, have not in any manner knowingly and willfully falsified, concealed or failed to disclose any material fact or made any false, fictitious, or fraudulent statement or knowingly used any documents which contain such statements in connection with the preparation, filing or prosecution of the response. I understand that an individual who is found to have violated the provisions of 18 U.S.C. Section 1001 shall be fined or imprisoned not more than five years, or both.



Scott L. Williams

Certificate of Service

I hereby certify that I have this date caused to be served a copy of the foregoing Fifteenth Supplement to the Application of Sunrise Airlines, Inc. upon the persons named on the attached service list by U.S. first-class mail, postage prepaid, in accordance with the Department's regulations.



John E. Gillick

Washington, D.C.
September 20, 2002

Service List

Ms. Delores King
Fitness Division
U.S. Department of Transportation
400 Seventh Street, S.W.
Washington, D.C. 20590

Mr. Dennis M. Murphy
Principal Operations Inspector
Federal Aviation Administration
Flight Standards District Office
7181 Amigo Street, Suite 180
Las Vegas, Nevada 89119

Mr. William Jennings
Executive Director
Orlando International Airport
One Airport Blvd.
Orlando, Florida 32827-4399

Mr. Kenneth M. Austin
Director of Aviation
Aviation Department
City of Tallahassee
3300 Capital Circle, S.W., Suite #1
Tallahassee, Florida 32310

Executive Director
Savannah Airport Commission
400 Airways Avenue
Savannah, GA 31408-8000

Mr. Robert M. Ball
Executive Director
Southwest Florida International Airport
Suite 8671
Chamberlain Parkway
Ft. Myers, Florida 33913

Airport Director
St. Petersburg-Clearwater Int'l Airport
14700 Terminal Blvd.
Suite 221
Clearwater, FL 33762

Mr. Peter Horton
Executive Director
Key West Int'l Airport
3491 S. Roosevelt Blvd.
Key West, Florida 33040-5260

Mr. Gary J. Dellapa
Director
Miami International Airport
P.O. Box 59-2075
AMF
Miami, Florida 33159



JAMES E. McGREEVEY
GOVERNOR

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
PO BOX 245
TRENTON, N.J. 08695-0245
August 29, 2002

JOHN E. McCORMAC, C. P. A.
STATE TREASURER

Mr. Michael Holtzapple
10901 Brighton Bay N.E.
Apt. 3112
St. Petersburg, Fla. 33716

Re: Holtzapple, Michael
A Responsible Person Of:
Airmark Aviation Inc.
ID# 330-313-193/000 DJ# 128,533-99

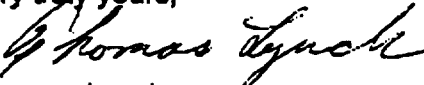
Dear Mr. Holtzapple:

We have received sufficient information to cancel the above referenced Judgment(s).

Cancellation of Judgment will be prepared and forwarded to the Clerk of the Superior Court of the State of New Jersey.

You may use this letter as an interim authority until such time as formal cancellation(s) can be filed.

Very truly yours,


Thomas Lynch
Attorney General Referral Section

Tommy Barraza
6735 Cherry Grove Circle
Orlando, Florida 32809
321-231-3679

Exhibit B
Page 1 of 4

Flight Time:

Total Time	2000	Turbine	1450
Multi Engine	1550	Single Engine	450
PIC	1000	SIC	1000
Instrument	800	X-Country	1600

Ratings:

Airline Transport Pilot
Embraer 120 – Jetstream 31/32 Type Ratings
First Class Medical
Radio Operator Permit

Work Experience:

Discover Air, Inc.

May 1999 – September 2000 First Officer EMB120 - JS31/32
Assistant Chief Pilot – Company Ground Instructor teaching Basic Indoctrination, Aircraft Specific, Extended Over Water Operations, and Ground Security Coordinator ground schools. (All ground school have been observed by POI.)

October 2000 – Present Captain EMB-120 – JS31/32
Chief Pilot
Authorized company Flight and Ground Instructor.
Authorized company Ground Instructor teaching Basic Indoctrination, Aircraft Specific, Extended Over Water Operations, and Ground Security Coordinator ground schools. (All ground school have been observed by POI.)

Airline Training Academy, Inc.

January 2000 – January 2001 Instructor Pilot
Training all pre-hire ASA, American Eagle and Trans-State pilots in simulators B707, B737, & B767 (EFIS) at Pan-Am flight Academy simulators in Miami-FL.

American Airlines

December 1997 – May 1998
Customer Service Lead Agent
Trained in Sabre system used by IATA and customer service areas.
Security Training accomplished for Miami International Airport.

Education and Military Experience:

Chile Air force Academy (South America)
1995-1997
Cadet in Officer training, obtained High School graduation and participated in Boot Camps, Combat Training and Leadership classes.

Sunrise Airlines, Inc.

DOT Application Questionnaire

Note: This questionnaire will be submitted to the DOT. Please answer all questions, with a more detailed explanation where requested, sign and date the form and return it to John E. Gillick for collection. Please indicate if you desire any part of your response to be kept confidential.

1. Please state your name and residence address:

Tommy BARRAZA
6735 Cherry Grove Circle
Orlando, FL 32809

2. Please state your title or position with Florida Air Holdings, Inc.:

Chief Pilot - Discover Air, Inc.

3. Number and type of shares of Florida Air Holdings, Inc. stock owned or to be acquired:

NONE.

4. Current position, business address and telephone:

Chief Pilot.
5858 S. Semoran Blvd.
Orlando, FL 32822

5. Are you a citizen of the United States? Yes ☒ No ☐

6. If you are not a U.S. citizen, please indicate nationality and current immigration status:

7. Are you currently an officer, director or major shareholder (10 percent or more of the total stock), or do you have any other significant interest in any other carrier, foreign air carrier, common carrier, person substantially engaged in the business of aeronautics, or person whose principal business is the ownership or control of any such transportation or aeronautical activity?

Yes _____ No X

8. Are you the subject of any pending legal action or outstanding judgment involving a claim in excess of \$5,000?

Yes _____ No X

(If your answer is "yes", please provide date and amount of each judgment and name of each judgment creditor in the space provided in Attachment A).

9. Are you the subject of any pending legal action or outstanding judgment involving a claim of less than \$5,000?

Yes _____ No X

(If your answer is "yes", describe each complaint and indicate the current status or final disposition of each complaint in Attachment A).

10. Have you ever been the subject of a formal complaint regarding compliance with the Federal Aviation Act of 1958, or any order, rule, regulation or other requirement issued pursuant to the Act, during the past five (5) years?

Yes _____ No X

(If "yes", describe each complaint and indicate the current status or final disposition of each complaint in Attachment A).

11. Have you ever been found guilty of any violations of the Federal Aviation Act, or any order, rules or regulations issued under the Act, during the past ten (10) years?

Yes _____ No X

(If "yes", please describe and indicate disposition or current status of each proceeding in Attachment A).

12. Have you ever been the subject of an action taken by the Federal Aviation Administration (FAA) involving administrative action, civil penalties, or injunctive relief, seizure of aircraft, certificate action or criminal penalties, during the past ten (10) years?

Yes _____ No X

(If "yes", please describe and indicate disposition or current status of each proceeding in Attachment A).

13. Have you ever been charged with any unfair or deceptive or anti-competitive business practices, or any fraud, felony or antitrust violation, during the past ten (10) years?

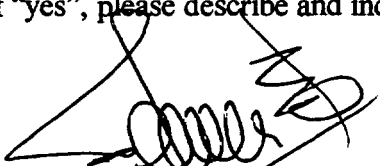
Yes _____ No X

(If "yes", please describe and indicate disposition or current status of each proceeding in Attachment A).

14. Have you ever been the subject of a consumer complaint proceeding during the past three (3) years?

Yes _____ No X

(If "yes", please describe and indicate status in Attachment A).


Signature

09/04/02
Date

Tommy Barraza
Print Name



September 13, 2002

U. S. Department of Transportation

This letter is to verify that as of September 3, 2002, I reported to work full-time at my relocated office in Orlando, Florida. I intend to continue employment with Sunrise Airlines, Inc. working at the corporate offices located at 5858 S. Semoran Blvd, Orlando, FL.

Sincerely,

A handwritten signature in black ink, appearing to read "CS", written over a horizontal line.

Craig Sanderson
Director of Operations



09/13/2002

U.S. Dept. of Transportation

This letter is to verify that as of September 3, 2002, I reported to work full-time at my relocated office in Sanford, Florida. I intend to continue my employment with Sunrise Airlines, Inc. working at the maintenance facilities located at 1604 Hanger Road #333 Sanford, FL.

Sincerely,

A handwritten signature in cursive script, appearing to read "Larry Martin", is written above the typed name.

Larry Martin
Director of Maintenance
Sunrise Airlines, Inc.



09/13/2002

U.S. Dept. of Transportation

This letter is to verify that as of September 3, 2002, I reported to work full-time at my relocated office in Sanford, Florida. I intend to continue my employment with Sunrise Airlines, Inc. working at the maintenance facilities located at 1604 Hanger Road #333 Sanford, FL.

Sincerely,

A handwritten signature in black ink, appearing to read "Bret Richards". The signature is fluid and cursive, with the first name "Bret" and last name "Richards" clearly distinguishable.

Bret Richards
Chief Inspector
Sunrise Airlines, Inc.

Sunrise Airlines, Inc.
Pre-Operating Expenses
For the Nine Months Ended July 31, 2002

Expenses	
Salaries & Related	\$ 1,383,131
Aircraft Insurance	145,547
Fuel	44,002
Maintenance & Reserves	152,788
Training	22,024
Office & Hangar Rent	118,062
Communications	42,322
Travel & Meeting Expenses	24,454
Promotion & Advertising	62,871
Interest Expense	34,279
Other	<u>115,575</u>
Total Expenses	2,145,055

The \$1,000,000 is in a bank account in the name of
Florida Air Holdings, Inc. It is being held in that
account pending transfer to Sunrise Airlines.

Sunrise Airlines, Inc.
Balance Sheet
As of July 31, 2002

ASSETS

Cash	\$ 17,050
Inventory	363,269
Furniture & equipment- net of depreciation	78,771
Goodwill	1,500,000
Other assets	155,170
TOTAL ASSETS	<u>\$ 2,114,260</u>

LIABILITIES

Accounts payable & accrued expenses	\$ 371,283
Notes payable	1,432,005
TOTAL LIABILITIES	<u>1,803,288</u>

STOCKHOLDERS' EQUITY

Invested equity	2,000,000
Retained deficit	(1,689,028)
TOTAL STOCKHOLDERS' EQUITY	<u>310,972</u>

TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>\$ 2,114,260</u>
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SunTrust Bank Statement

Confidential Treatment Requested.

Affidavit of Financial Resources

Confidential Treatment Requested.

Responses to Request for Additional Information
In Part B of the Department's August 30, 2002 Letter

Confidential Treatment Requested

Discover Air, Inc.
Income Statement

Confidential Treatment Requested

Sunrise Airlines, Inc.
Forecasted Pre Scheduled Cash Required

	<u>Aug</u>	<u>Sep</u>	<u>Total</u>
Charter Revenues	\$ 110,000	\$ 132,000	\$ 242,000
Expenses			
Payroll & Benefits	78,000	78,000	156,000
Fuel	17,500	21,000	38,500
Maintenance	16,000	19,200	35,200
Insurance - Aircraft	57,000	57,000	114,000
Insurance - Other	5,500	5,500	11,000
Building Rent	6,000	6,000	12,000
Hangar Rent	3,500	3,500	7,000
Telephone	2,000	2,000	4,000
Supplies	200	200	400
Utilities	400	400	800
Dues & Subscriptions	1,000	1,000	2,000
Ground Services	23,333	28,000	51,333
Marketing	10,000	10,000	20,000
Allocation of Corporate Overhead	20,000	20,000	40,000
Interest Expense	16,400	16,400	32,800
Total Expenses	256,833	268,200	525,033
Income (Loss)	(146,833)	(136,200)	(283,033)
Aircraft Repairs	59,000	59,000	118,000
Airport Deposits		59,800	59,800
Accounts & Notes Payable		388,685	388,685
Total Pre Scheduled Cash Required	\$ 205,833	\$ 643,685	\$ 849,518
Charter Hours	100	120	220